Tom Munson - Permission to start construction on the Tailings impoundment

From: Tom Munson

To: Paul Baker; Penny Berry; ronw@scinternet.net

Date: 12/13/2011 11:03 AM

Subject: Permission to start construction on the Tailings impoundment

Attachments: 20111213125153.pdf

Hello Dave and Ron,

The Division received your \$63,000 bond to cover the additional 13.74 acres and the amendment regarding the construction of the tailings impoundment yesterday from Mr. Jay Gatten. Mr. Baker's letter to you requested that we receive an amendment to the Large Mine plan describing the tailings impoundment construction, topsoil salvage, disturbance projected. This requested information was received and is in the process of being reviewed. After an initial review by me, it was determined the Division would be willing to let you proceed with construction of the impoundment. A formal letter will follow when we finish our formal review.

One more item will need to be completed when we send it to you. This a modification to the reclamation Contract. Penny Berry will email it to you to sign and send back. We did not need a new reclamation contract as we got one when the \$1,600,000 was replaced. I also changed the fact sheet to reflect the total acres now bonded as 105.9 + 13.74 = 119.64 bonded acres and the total bond as \$1,600,000 + 63,000 = \$1,663,000. I have attached the revised Fact Sheet. You will received the Modification to the Reclamation Contract from Penny Berry shortly.

Consider this email permission to go ahead with construction of the impoundment. No tailings will be allowed to be put in the impoundment until the final Large Mine amendment detailing the updated reclamation plan and tailings chemistry is reviewed and approved.

Thank you for submitting this amendment.

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